



STATE OF DELAWARE

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November 13, 2017

**MEMORANDUM**

TO: The Chair and Members of the Commission

FROM: Shona Marshall, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF ADVANTAGE ENERGY PARTNERS, LLC FOR A CERTIFICATE TO BROKER ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED AUGUST 3, 2017; FILED OCTOBER 23, 2017) - PSC DOCKET No. 17-0934

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**Background**

On August 3, 2017, Advantage Energy Partners, LLC (the "Company" or "Advantage") submitted an application (the "Application") with the Delaware Public Service Commission (the "Commission") for an Electric Supplier Certificate ("ESC") to broker electric supply services in the State of Delaware pursuant to §1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §1001 - §1020 (the "Act") and 26 *Del. Admin. C.* §3001, the Commission's Rules for Certification and Regulation of Electric Suppliers (the "Supplier Rules").<sup>1</sup>

**Application**

The Company's original filing was submitted on August 3, 2017 but the submitted Application did not meet the minimum filing requirements (MFR's) and did not comply with the Supplier Rules. In a letter dated August 4, 2017, Commission Staff ("Staff") requested the Company submit a revised application using the new application<sup>2</sup> available on the website. The Company submitted the revised application on August 27, 2017. In a letter dated September 12, 2017, Staff requested a complete response to Question 28 (Marketing Plans and Materials), a permanent copy of the Delaware business license, a clear explanation and graphical depiction of the Company's corporate structure, clarification of the Company's date of formation and the work history of the Company's officer, Michael Senff, and copies of Commission orders for the states in which the Company currently operates. The Company submitted a response on September 28, 2017. In a letter dated October 19, 2017, Staff requested a copy of the Commission order from the state of New Jersey. The order was submitted October 23, 2017 by the Company. This information satisfies the MFR's for this Application.

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<sup>1</sup> Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

<sup>2</sup> To comply with the revised Supplier Rules that became effective April 11, 2017.

## **Review and Analysis**

### **Authority to do Business in Delaware**

The Company is incorporated under the laws of the Commonwealth of Pennsylvania. The Company provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the State of Delaware. The Delaware certificate of good standing was issued August 3, 2017. The Delaware business license was issued June 27, 2017 and is valid from July 1, 2017 through December 31, 2017.

### **Resident Agent**

The Company supplied the contact information for a Delaware Registered Agent listed in the application as Paracorp Incorporated located at 2140 S DuPont Highway, Camden, DE 19934.

### **Compliance with Regional Requirements**

The Company affirms in its Application that it will only present electricity supply contracts to its customers from Marketers/Electric Suppliers who are in compliance with all applicable PJM requirements.

## **Financial, Operational, Managerial and Technical Ability**

The Company provided unaudited Balance sheets, Profit and Loss statements, and Profit & Loss Year to Date Comparison statements for the periods of December 2016, March 2017, and July 2017. The Company also provided two letters of reference from PNC as indicia of financial capability under Section 2.2.16.2 of the Supplier Rules in its initial Application. Staff has reviewed the accounting statements and Advantage has satisfied the requirements of the Supplier Rules for purposes of brokering electric supply services in the State of Delaware.

The Company anticipates serving Residential, Large Commercial, Small Commercial, and Industrial customers throughout the State of Delaware. The Company's application states that it is currently licensed in the states of Maryland, New Jersey, Ohio, and Pennsylvania to provide or broker electric services. It is also licensed to supply or broker natural gas services in the states of Ohio and Pennsylvania. The Company did not list any states in which licensure is currently pending.

The Application included a summary of experience and qualifications for Michael A. Senff. Mr. Senff is the President and has held this position since April 2016. He possesses over 19 years of managerial experience and 23 years of experience in the energy industry. Mr. Senff is the only principal and employee of the Company.

### **Surety Bond**

The Company did not post a surety bond because it is a Broker only and there are no service agreements between the Company and any Delaware Electric Distribution Company. The Company will not collect any fees or deposits from any of its customers for any of its brokerage services.

### **Verification of Application**

The original Application contained a signed sworn verification of application with the signature of Michael A. Senff. Subsequent filings to the Application have also been verified by Michael A. Senff.

### **Consent to Jurisdiction**

The Company consents to the jurisdiction of the Delaware courts.

### **Contracts**

The Company is applying for a license to broker electric supply services for residential and small commercial customers. Pursuant to the Supplier Rules, an Applicant shall either provide its standard

contract for residential and small commercial customers or provide a link to the contract on the Applicant's website. As a Broker, the Applicant will not have contracts with residential or small commercial customers to provide electric supply services; however, the Applicant has agreed to only contract with entities that comply with PJM's requirements and that have been certified as an electric supplier in Delaware. The Company has submitted copies of the marketing materials designed for use in the state of Delaware.

#### Statement of Criminal Activity

The Applicant stated that they have not been charged or convicted of any criminal activity nor have any of its principals or corporation offices. An internet review of the Company and its principals did not return any incidents of criminal activity.

#### Legal Review

Staff submitted this Memo for review by the Attorney on November 15, 2017.

#### Staff Recommendation

Based on Staff's review and analysis of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The completed Application supports the Company's request for certification. Staff's review and analysis of the Application submitted by the Company demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.